

**MINUTES**  
**BROWN COUNTY HOUSING AUTHORITY**  
**Monday, September 17, 2012, 3:00 p.m.**  
**City Hall, 100 N. Jefferson Street, Room 604**  
**Green Bay, WI 54301**



**MEMBERS:** Tom Diedrick–Chair, Rich Aicher–Vice Chair, Darlene Hallet, Ann Hartman, Sup. Andy Nicholson

**OTHERS:** Rob Strong, Robyn Hallet, DonElla Payne, Matt Roberts, Chip Law, Michael Kadow, Dan Kroetz, Jason Muenster, Brent Miller, Dan Robinson, Lori DeGrave, Pat Faulds, Vicki Parmentier, Tom Sieber, Chuck Lamine

**APPROVAL OF MINUTES:**

1. Approval of the August 20, 2012 minutes of the Brown County Housing Authority

A motion was made by A. Nicholson and seconded by A. Hartmann to approve the August 20, 2012 minutes of the Brown County Housing Authority. Motion carried.

T. Diedrick requested that the agenda order be changed to take item #3 near the end of the agenda.

A motion was made by R. Aicher and seconded by D. Hallet to approve the changes to the agenda. Motion carried.

**COMMUNICATIONS:**

2. Letter from Housing Authority Insurance Group regarding dividends received

R. Hallet stated that a letter from the Housing Authority Insurance Group indicated that the Brown County Housing Authority received a dividend of \$143.47.

T. Diedrick stated this would be placed on file.

T. Diedrick suggested we table item #4 until all representatives from Cardinal Capital arrived.

**OLD BUSINESS:**

5. Discussion and possible action regarding the expiring HCV Contract between BCHA and ICS and alternative staffing options for the HCV Program

T. Diedrick gave a summary stating that at the August BCHA meeting a subcommittee of the Authority was established, including T. Diedrick and R. Aicher as well as BCHA staff, to follow up on this issue. Since that time, the subcommittee has met with the County Executive, the County Board Chairman, and Supervisor D. Robinson at which time the BCHA's concerns leading to the decision to not renew the HCV contract with ICS were discussed. After that, a meeting was held with the subcommittee and ICS staff in which BCHA's concerns were shared with ICS. This meeting was straightforward and positive, resulting in an agreement that ICS would submit a detailed response to the BCHA regarding these concerns by Friday, September 21. A follow-up meeting with ICS was scheduled for Monday, September 24. T. Diedrick stated that the meeting with ICS was positive, and he is hopeful that this issue can be worked out between the two organizations.

T. Diedrick invited M. Kadow to speak on behalf of ICS. M. Kadow expressed appreciation for the recent meeting and stated that at the end of that meeting ICS had a better understanding of the BCHA's. He stated the issue of financial solvency has been reviewed independently by the County Auditor, and Schenck has also provided information. ICS received assurances from staff

and auditors that ICS has a good cash flow. He explained that ICS's income-generating entities were acquired to generate revenue to support and diversify ICS and to offset costs they incur and to allow them to expand into other programs such as Leaving Homelessness Behind. He further explained that they recently refinanced as a cost savings measure.

In regards to salary levels of employees, he stated that only a portion of salaries are allocated to the HCV Program, the majority of certain staff's salaries are allocated to the for-profit entities and are discretionary based on the profits of those companies.

M. Kadow summarized that the financial solvency and salaries should be a non-issue. He expressed concern that the stability of the organization has caused consternation and stress as well as moral issues among the staff due to not knowing the future of the organization, ultimately putting the HCV Program at risk. He urged, for the good of the program, that the BCHA consider the 40-year relationship with ICS and the concern that ICS staff is leaving and once gone would not be available to come back. He appealed to the BCHA to make a motion as soon as possible to agree to the recommendation and motion of the Executive Committee of the County Board to extend the contract for a year while continuing the dialogue of transition.

T. Diedrick reiterated that we all agree that we want to resolve this as soon as possible, and he feels hopeful that after last week's meeting, as well as the upcoming meeting, that we can do that, not only so ICS and the BCHA know the future of the HCV Program, but most importantly for the 2,800 people who rely on the Vouchers for rental assistance. T. Diedrick opened discussion for comments.

A. Nicholson asked why an RFP hadn't been done. T. Diedrick explained that an RFP had been conducted six years ago, and ICS was awarded the contract. T. Diedrick clarified that the contract with ICS is not terminated; rather the contract ends December 31, 2012. The BCHA had agreed at that time that it was good business practice to do an RFP. They discussed doing an RFP again at a previous BCHA meeting but felt that the one done previously took a long time and resulted in very few vendors submitting proposals. Therefore, the Commissioners agreed it was not wise to do an RFP again. He stated that Mr. Gast had echoed these concerns at the August meeting. He stated it could still be re-concerned as a possibility. A. Nicholson inquired how long the RFP process took last time. T. Diedrick responded that it took about six months and was a significant expense, in the range of \$10,000, due to a consultant that was hired to help write the RFP. A. Nicholson expressed his opinion that things may have changed, and the only way to know was to prepare an RFP.

R. Aicher stated that after the upcoming meetings, it's important that the Authority act as soon as possible, and therefore a special meeting or earlier October date should be considered.

## **NEW BUSINESS:**

### **6. Review and approval of Brown County Housing Authority 2013 Annual Agency Plan**

D. Payne reported changes made to the BCHA 2013 Annual Agency Plan. She explained that changes made to the Administrative Plan needed to be reflected on the Annual Plan. Such changes included Chapter 3: Eligibility, in which D. Payne reported that approval was given to remove the requesting of assets and income on preliminary applications because it is not relevant to whether or not a person is eligible to be placed on a waiting list. Also previously approved was removal of the question of Brown County residency because the preliminary application shows their address, and they are required to provide photo ID with current address, demonstrating whether or not they are a Brown County resident. Additionally approved for removal was the language stating use of CCAP to inquire about child support and paternity; the HCV program is not concerned with paternity matters, and child support income information is provided at the time the client comes in for the initial appointment or review. Another change was made in Chapter 7: Income Tax. She reported removal of the requirement that clients provide income tax forms annually because with the new use of EIV, ICS has direct access to income

information. D. Payne explained the other part of the Annual Plan is Part 10, which is regarding the goals and progress of HCV. D. Payne reviewed each stated goal and the corresponding progress of each.

R. Hallet stated that a public hearing on the Annual Plan has been scheduled for October 2, 2012, then it must be submitted to HUD by October 15.

A motion was made by R. Aicher and seconded by D. Hallet to approve the changes made to the BCHA 2013 Annual Agency Plan, contingent on comments from the October 2, 2012 public hearing. Motion carried.

7. Discussion and possible action regarding request from a BCHA down payment loan recipient for forgiveness of loan

R. Hallet summarized the letter from a family that purchased a home in 2008 and now, due to health concerns, wants sell the home and relocate to another part of the country. The family is asking forgiveness of the loan from the BCHA. Due to personal investment in the home for renovations, the family does not feel that they will have enough money to pay the loan back and also place a down payment on their future home, and are therefore requesting forgiveness of the loan.

R. Aicher asked what the mortgage balance is, but R. Hallet responded that she didn't have that information. R. Aicher stated that information would be necessary to know how much equity there is. R. Strong stated that we anticipated there would be a lot of questions and just wanted to bring this request to the Authority's attention so they were aware of when it comes up again. R. Hallet clarified that this situation is different from others because it doesn't appear there will be a short sale, but rather that the homeowners are proactively trying to preserve the equity in their home. R. Aicher agreed that after the first mortgage and the BCHA's \$20,000 second mortgage are paid off, there may not be any equity left. By the BCHA agreeing to forgive the \$20,000, it would give them money to move and to pay off unsecured debt that they spent on the house, as well as possibly some cash toward a down payment on another house, so this is a different situation. R. Strong suggested more information could be provided and the homeowners may want to attend a future meeting to speak for themselves, to which several Commissioners voiced their agreement. R. Aicher suggested more financial details be available at the next meeting, including the first mortgage balance.

T. Diedrick stated that this item will be tabled until a future meeting for more information.

**REPORTS:**

3. Report on Housing Choice Voucher Rental Assistance Program

A. Preliminary Applications

D. Payne reported that there were 76 preliminary applications for August 2012.

B. Unit Count

D. Payne reported that the unit count for August 2012 was 2,957 units.

C. Housing Assistance Payments Expenses

D. Payne stated that the HAP expense for August was \$1,152,277.

D. Housing Quality Standard Inspection Compliance

M. Roberts stated that there were 344 inspections for August 2012. He reported that 59.88% passed their first inspection, 17.73% passed their reevaluation inspection, and 22.38% failed their inspection.

- E. Program Activity/52681B (administrative costs, portability activity, SEMAP)
  - C. Law reported that the ICS administrative costs were underspent by the amount of \$152,036.81. D. Payne stated that there were 205 port-outs and 16 port-ins for August 2012. She reported that SEMAP is at 92.9%.
- F. Family Self-Sufficiency Program (client count, escrow accounts, graduates, new contracts, homeownership)
  - D. Payne reported that there were 96 FSS clients, with 31 escrow accounts, 1 FSS graduate, 2 new FSS contracts, and 81 homeowners for August 2012. She also added that there are 24 FSS clients currently working toward homeownership.
- G. VASH Reports (active VASH, new VASH)
  - D. Payne reported that there were 15 VASH vouchers, none of which were new.
- H. Langan Investigations Criminal Background Screening and Fraud Investigations
  - D. Payne reported that there were 8 new investigations, 10 closed investigations, 6 active investigations, and 87 new applications, none denied.

#### **OLD BUSINESS:**

4. Discussion and possible action on a request by Cardinal Capital Management to project base 52 vouchers for a veterans' housing project and Green Bay Veterans Project Section 8 Request

D. Kroetz from Cardinal Capital provided an introduction, and E. Schwanker attended via conference call. E. Schwanker explained the various components needed to put together a veterans' project including: An organization to provide veteran services, which would be the Center for Veterans Issues, the leading provider in the state; acquisition of land, which he is confident they can get – they are looking seriously at County land, which the County is eager to put to use; equity investors, which they know they will be able to find; need, which is known from the draft of the market study - residents of this project would represent about 1% of the area vets, all honorably discharged, but many who have various issues, including low employability and therefore need this kind of housing to avoid homelessness; cost controls, which they've discussed with WHEDA and feel good about – he noted that Cardinal Capital has won every tax credit they've ever applied for, which has been about a dozen; the big issue remaining is Section 8, which is important due to the income of the vets, which will average about \$11,000 per year and thus the vets wouldn't be able to make it without Section 8. The investors are aware of this and won't provide the funds without Section 8 involvement. He stated that the project is consistent with Green Bay fighting for and winning the Vet Medical Center, and it's appropriate that they be located in proximity to each other. He explained that the programs are very complex, and it might have been appropriate for the VASH Vouchers to have been set up to be more easily used with project based, but it just hasn't been done and there is not a good way to get it done. They will need from the BCHA a commitment to the Project Based Vouchers. He stated an AHAP doesn't need to be signed for the WHEDA application; the AHAP would be needed later to begin the closing for the funds.

R. Hallet explained she had several questions for E. Schwanker as well as some comments. She stated that E. Schwanker's memo referenced several possibilities for sites, but the one most commonly mentioned is by the former Mental Health Center: is this the primary site or are other sites being considered as well? E. Schwanker responded that they are considering some portion of the County site, but it's going to be partially dependent on the County Planning Department. They did look at a site between the new mental health center and the prison, but he doesn't think that will work. He also considered the land listed by Beaumere (formerly Tillman's Landscaping), but that might be problematic considering the City of Green Bay's plans for that area. He summarized that there are a number of options within a mile of the VA Medical Center, which is important so the vets can easily get there. He explained that to win the tax credits, it's necessary to have a patient seller, which the County can be.

T. Diedrick invited C. Lamine from Brown County Planning to speak. C. Lamine explained that they have had a concern with the old Mental Health Center building and they don't want to see it become more of a blight in that neighborhood. He stated this is an important project for Brown County and a great spin-off to the VA Clinic. He stated that County Executive Streckenbach is supportive of the project. He urged the BCHA to act favorably on this request. He also expressed that his office would be willing to help if there is anything they can do.

R. Strong stated that he has met with C. Lamine about the whole area that the County owns in this neighborhood, and they are looking at the possibility of creating a TIF district around the VA Clinic as there is a lot of pressure to develop that area. This project may help that to happen and allow for the TIF increment to reinvest in the public infrastructure there. In that regard, the City and County are working together. R. Strong invited anyone else from the public to speak about this issue.

T. Sieber stated he is the County Supervisor of this area, that he has talked to C. Lamine and County Executive Streckenbach, and is in support of this project.

R. Hallet moved on to her next question. She stated that E. Schwanker's memo indicates that the exact number of project-based units would depend on the pro forma. She stated she understands the request for 52 project-based units is based off of the project in Milwaukee, but inquired what might cause that number to change. E. Schwanker responded that they need to be comfortable with how quickly they can fill the unit, ensure they understand the changes WHEDA has made to the 2013 tax credit allocation plan, consider the operating costs, and also that the land size may impact the number of units. Furthermore, he stated that the Milwaukee project only has 1-bedroom units; they will need to consider the local needs to determine if they should consider having 2-bedroom units here.

R. Hallet reminded the Commissioners that when this project first came forward, she provided them a handout highlighting some concerns. She expressed that she believes this project is important, that veteran housing is needed in this community, and that the site being considered is a great location. Overall, she is in support of this project, but as the Housing Administrator, she needs to consider what is right for the HCV Program and share any concerns with the Commissioners. Initially, she identified four main concerns, and she would like to revisit each of them.

The first concern was in regards to the number of Vouchers available in general in Brown County. She expressed that this has been alleviated to a degree because the waiting list hasn't grown at the rate anticipated and because BCHA received Tenant Protection Vouchers to compensate for the Project Based Vouchers previously provided to Cardinal Capital. Therefore the voucher situation isn't as dire as it previously was.

Another concern was financial – The last time BCHA provided Project Based Vouchers to Cardinal Capital, we held the vouchers by not leasing them out, which ended up hurting us financially. When E. Schwanker addressed the BCHA last time, he stated we wouldn't have to hold the vouchers open and in fact that we could provide them in increments over time as the units are filled. R. Hallet asked E. Schwanker if this is still the case. He confirmed that because there won't be an issue marketing these units, they can take some of those funds to build in subsidies for the units. This would cover the cost for the vets as the Vouchers become available over six to eight months. He stressed this is something we can work on together so that the BCHA doesn't have to absorb significant losses, if we can plan for how long it would take for the Vouchers to become available. R. Hallet agreed that together we can work out those details as we get closer to that time. R. Hallet stated that this information alleviates our financial concerns.

R. Hallet stated that a third concern was giving veterans a higher preference on the waiting list than they currently have. She explained that they are already given a preference on the waiting

list. She believes veterans should be given a high preference, but not at the expense of other preferences. However, she believes we can find a way to make this work. E. Schwanker indicated that for the project itself, the tenant selection plan would give a preference to vets to live there. We'll have to find a way to tie that to the HCV waiting list preferences, which may require some further discussion. R. Strong pointed out that bringing the Vouchers on over a period of months will make this easier without having to necessarily give them an additional preference. E. Schwanker pointed out that the Center for Veteran Issues played a big role in getting word out to the vets, so working with veteran groups will result in finding a significant number of vets to apply.

R. Hallet moved on to her forth concern, which was BCHA's efforts to deconcentrate Vouchers by using Project Based Vouchers outside of the City of Green Bay. The locations being considered for this project are within the City of Green Bay, so this doesn't further our deconcentration efforts; however these areas don't seem to be high poverty areas, which is really the root of the deconcentration efforts. E. Schwanker offered that this issue came up with HUD's review of Veteran's Manor in Milwaukee. He's confident that HUD would be in support of the location considered.

R. Hallet asked the Commissioners keep in mind that the BCHA doesn't have the authority to directly award these vouchers because we are required to submit a Request for Proposals or look into the possibility of requesting a waiver from the RFP requirement. She further stated an RFP cannot specify a location, and we'd have to give due consideration to any other proposals submitted. E. Schwanker expressed that he believes that we can work through this to HUD's satisfaction. He stated that the staff involved has in-depth knowledge on how to do this appropriately and has worked with HUD on similar issues, so he is confident we can overcome this concern.

R. Hallet stated her final concern is that the Administrative Plan places a 25% cap on the number of project-based units within a building. There are legitimate reasons why such caps are in place, so the Commissioner would need to consider if they want to provide an exception for this project. E. Schwanker stated they would certainly need an exception because the project wouldn't make any sense without it.

R. Aicher asked if a lender has been selected yet. E. Schwanker explained that is usually not a problem and would be finalized later in the process. R. Aicher stated he was inquiring from a conflict of interest standpoint, considering his employment is with a lender.

T. Diedrick inquired if action was needed prior to the tax credit deadline of February. E. Schwanker responded yes, they need to indicate on the tax credit application that the BCHA has the intention to provide the Vouchers.

R. Strong suggested that the staff work with WHPC to answer any remaining questions and bring that information back at a future meeting. R. Aicher stated one remaining question is if it's possible to request a waiver to the RFP.

A motion was made by A. Nicholson and seconded by D. Hallet to refer the issue to staff to put together information and to bring back a recommendation. Motion carried.

R. Aicher inquired if there was any issue with him voting at this point. R. Strong stated he didn't see an issue but would check with Corporation Counsel to see at what point it would become a concern.

## **INFORMATIONAL:**

### **8. Review of WAHA District IV Commissioner Training**

Held for a future meeting.

**BILLS:**

A motion was made by A. Nicholson and seconded by D. Hallet to approve the bills. Motion carried.

**FINANCIAL REPORT:****STAFF REPORT:**

9. HUD's awarding of Project-Based Voucher Contract Administration has been suspended indefinitely.

Held for a future meeting.

R. Strong stated that we can put the discussion of mileage reimbursement on next meeting's agenda.

A motion was made by A. Nicholson and seconded by D. Hallet to adjourn. Motion carried. Meeting adjourned at 4:24 p.m.

kv:mr:rah

9:59 AM

10/01/12

Accrual Basis

**Brown County Housing Authority**  
**Transactions by Account**  
 As of October 1, 2012

Type	Date	Num	Name	Memo	Class	Clr	Split	Amount	Balance
1111.00 - Cash in Bank									-96,221.36
Bill Pmt - Check	9/17/2012	1102	CITY OF GREEN				20000 - Acco...	-6,124.61	-102,345.97
Bill Pmt - Check	9/17/2012	1103	Edgemere Consult...				20000 - Acco...	-1,110.00	-103,455.97
Bill Pmt - Check	9/17/2012	1104	Emmons Business...				20000 - Acco...	-172.50	-103,628.47
Bill Pmt - Check	9/17/2012	1105	GANNETT WISCS...				20000 - Acco...	-24.25	-103,652.72
Bill Pmt - Check	9/17/2012	1106	INTEGRATED CO...				20000 - Acco...	-12,102.80	-115,755.52
Bill Pmt - Check	9/17/2012	1107	MATT SCHAMPE...				20000 - Acco...	-83.83	-115,839.35
Bill Pmt - Check	9/17/2012	1108	ROBYN HALLET				20000 - Acco...	-92.75	-115,932.10
Bill Pmt - Check	9/17/2012	1109	SCHENCK & ASS...				20000 - Acco...	-1,380.00	-117,312.10
Total 1111.00 - Cash in Bank								-21,090.74	-117,312.10
<b>TOTAL</b>								<b>-21,090.74</b>	<b>-117,312.10</b>



**All Other**  
**Financial Status Report**  
**2012 Budget Year**  
**As of September 30, 2012**

	REVENUE			EXPENDITURES		
	Budget Amount	YTD	Annualized \$	Annualized %	Remaining Budget Balance	
Interest	\$ 5,992	\$ 3,919	\$ 5,225	87%	(2,073)	65%
Loan Repayments	\$ -		N/A	N/A	0	N/A
Revenue on Sale of Property	\$ -		N/A	N/A	0	N/A
Bond Fees & Other	\$ 6,675		\$ -	0%	(6,675)	0%
<b>Total Revenues</b>	<b>\$ 12,667</b>	<b>\$ 3,919</b>	<b>\$ 5,225</b>	<b>41%</b>	<b>(2,073)</b>	<b>31%</b>

**EXPENDITURES**

Development Loan	\$ 350,000		\$ -			
HO Assistance / DPCC	\$ 30,000	\$ 5,000	6,667	22%	25,000	17%
Staff Training	\$ 6,200.00	1,138	1,518	24%	5,062	18%
Landlord Training	\$ 5,000		-	0%	5,000	0%
Other	\$ 11,299		-	0%	11,299	0%
<b>Total Expenditures</b>	<b>\$ 402,499</b>	<b>\$ 6,138</b>	<b>\$ 8,184</b>	<b>2%</b>	<b>396,361</b>	<b>2%</b>

Unrestricted Cash Balance	\$ 1,570,607.95
Restricted Cash Balance	\$ 258,302.10

**Housing Choice Voucher Program  
Financial Status Report  
2012 Budget Year  
As of September 30, 2012**

<b>REVENUE</b>					
	Budget Amount	YTD	Annualized \$	Annualized %	Remaining Budget Balance
HAP Income	\$ 14,768,734	\$ 11,267,593	\$ 15,023,457	102%	(3,501,141) 76%
Admin Fee Income	\$ 1,276,120	\$ 1,136,217	\$ 1,514,956	119%	(139,903) 89%
FSS/HO Coordinator Income	\$ 135,462	\$ 101,598	\$ 135,464	100%	(33,864) 75%
Fraud Recovery	\$ 115,000	\$ 74,881	N/A	N/A	(40,119) 65%
Other Income (Interest & HO Payments)	\$ 2,614	\$ 4,339	N/A	N/A	1,725 166%
<b>Total Revenues</b>	<b>\$ 16,297,930</b>	<b>\$ 12,584,627</b>	<b>\$ 16,673,877</b>	<b>102%</b>	<b>(3,713,303) 77%</b>

**EXPENDITURES**

<b>Program Expenditures</b>					
HAP Payments	\$ 13,947,301	\$ 10,622,159	\$ 14,162,878	102%	3,325,142 76%
ICS Admin	1,230,180	1,098,313	\$ 1,464,418	119%	131,867 89%
FSS/HO Coordinator	135,462	101,598	\$ 135,464	100%	33,864 75%
<b>Total Program Expenditures</b>	<b>15,312,943</b>	<b>11,822,070</b>	<b>15,762,760</b>	<b>103%</b>	<b>3,490,873 77%</b>
<b>Administrative Expenditures</b>					
Software Upgrade	\$ 63,415	\$ 61,722	\$ 82,297	130%	1,693 0.97331
Salaries	42,449	21,575	\$ 28,767	68%	20,874 51%
Fringe Benefits	14,998	9,182	\$ 12,242	82%	5,816 61%
Home Ownership Counseling	14,000	-	\$ -	0%	14,000 0%
Audit	7,718	6,745	\$ 8,993	117%	973 87%
Insurance	5,576	5,309	\$ 7,079	127%	267 95%
Other	17,737	14,633	\$ 19,510	110%	3,104 82%
<b>Total Administrative Expenditures</b>	<b>102,478</b>	<b>57,443</b>	<b>76,591</b>	<b>75%</b>	<b>45,035 56%</b>
<b>Total Expenditures</b>	<b>\$ 15,415,421</b>	<b>\$ 11,879,513</b>	<b>\$ 15,839,351</b>	<b>103%</b>	<b>\$ 3,535,908.02 77%</b>

Cash Balance	\$ 1,677,379.36
--------------	-----------------